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Independent Regulatory
Review Commission

Kathy Cooper

From: JAMES LABELLA <JIMLABELLA@THETAXDEPOT.ORG>
Sent: Monday, November 18, 2019 3:59 PM
To: IRRC
Subject: Comments on Dept. of Labor and Industry Overtime Regulation #12-106

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Dear The Review Commission,

As a small business owner in Pennsylvania, I am writing in opposition to the Department of Labor and Industry's proposal to dramatically increase the salary threshold for employee overtime eligibility. As you may be aware, the Independent Regulatory Review Commission asked the Wolf Administration to address concerns that were brought up by businesses, nonprofits, and colleges. The revised rule is only moderately different from the original rule.

The proposed increase in the state threshold from an annual salary of \$23,660 to \$45,500 over three years will be especially hard on small businesses like mine and their employees. It will limit the flexibility we can offer them now with hours, benefits, and pay. It will affect the morale of employees at my business by forcing them back to punching a time clock, which will also impact my business' quality, customer service, and reputation.

Further, the proposal seriously underestimates the costs to comply because it doesn't consider the higher costs to small businesses of state mandates like this. Higher costs will force businesses like mine to cut back the hours and pay of the very employees the change is intended to help.

The proposal to automatically increase the threshold every three years after it takes effect will make employee salary costs uncertain for businesses like mine and make it virtually impossible to plan, especially in an economic downturn.

Small businesses can't afford the loss of flexibility and increased cost of such a substantial increase in the overtime threshold. It will ultimately reduce benefits and career opportunities for my employees. The Department should reconsider this plan, given the dire impact it will have on businesses like mine and their employees. If not, the Independent Regulatory Review Commission should disapprove the rule and ask the Department to revise it.

Sincerely,

JAMES LABELLA
3156 Laurel View Ln
Tobyhanna, PA 18466
JIMLABELLA@THETAXDEPOT.ORG